THE DEPARTMENT OF TRANSPORT'S AND PRASA'S EXCITING FARE COLLECTION AND FIBRE NETWORK RFI

Category: Infrastructure and Telecommunications,IT Law
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The Department of Transport (DoT) and Passenger Rail Agency of South Africa (PRASA) want to modernise South Africa's rail network, and issued a request for information (RFI) on 26 October. There are information technology components to the RFI, including an Automatic Fare Collection System (AFCS) and the commercialisation of PRASA's digital infrastructure and fibre optic network. In essence, the DoT envisages partnerships between government and the private sector through a Private Sector Participation Framework model.

The Automatic Fare Collection System

The AFCS seeks to move PRASA's ticketing system from a "*predominantly manual, cash based ticketing system to a next-generation digital platform designed to serve South Africa's rail and bus networks.*" PRASA's system is currently very limited in that it "*lacks flexibility for dynamic pricing, multimodal integration, and modern payment methods.*"

The DOT's technical note summary, on the proposed AFCS, leaves no doubt that the AFCS will need to be cutting edge. This is because it will need to deliver "*a comprehensive omni-channel solution supporting multiple payment methods, including EMV bank cards, QR codes, mobile wallets, biometric authentication, and NFC-enabled smartcards.*"

PRASA's Fibre Optic Network

PRASA wants to commercialise the spare capacity on its 1,004-kilometre fibre optic network. The fibre optic network spans PRASA's rail corridors across three metro areas in Gauteng, KwaZulu-Natal and Western Cape. PRASA's fibre optic network infrastructure "*creates unique opportunities for last-mile digital connectivity that commercial telecommunications operators cannot easily replicate through traditional infrastructure deployment.*"

In addition to using PRASA's fibre optic cable network, there is the possibility of using PRASA's radio frequency spectrum for commercial purposes. In this regard, the partnership between PRASA and a private party could "*lease surplus fibre capacity, tower space, and non-mission spectrum to Internet Service Providers (ISPs), mobile network operators, and digital service providers.*" In addition "*station-centred WiMAX nodes and selective corridor coverage along fibre breakout points could extend broadband access to nearby communities, stimulating local commerce and inclusion.*"

The Partnership Models

Public Private Partnership (PPP) and Build-Operate-Transfer (BOT) models, amongst others, are contemplated in both the AFCS and Fibre RFIs. Contract terms of between 7 and 15 years and 15 to 20 years, respectively, have been suggested. National Treasury's Treasury Regulation 16 and National Treasury's PPP Manual and Guidelines are likely to regulate any transaction, if the PPP route is followed.

Information Technology Legal and Regulatory Considerations

The PRASA AFCS and Fibre projects are both information technology intensive. Both are likely to be considered as critical infrastructure, requiring heightened levels of cybersecurity protection. Laws such as the Electronic Communications Act, the Protection of Personal Information Act and the Critical Infrastructure Protection Act are going to play critical roles in regulating any contemplated transactions.

With global cybercrime costs projected to reach $10.5 trillion annually by 2025, cybersecurity considerations in both the PRASA AFCS and Fibre projects are going to be paramount. It is for this reason that the AFCS RFI highlights that a "*fully digital platform increases exposure to fraud, hacking, and data breaches. PCI-DSS and ISO 27001 compliance will be essential, along with active threat monitoring and fraud analytics.*"

RFI Closing Date

The DOT's PRASA AFCS and Fibre Optic Network RFIs are open for responses from 26 October 2025 to 15 December 2025.

Contact us if you require assistance with any aspect of either RFI. We have commercial and regulatory legal and transaction advisory experience in projects such as procuring on-board computers for locomotives, radio frequency spectrum auctions, electronic communications network licences, regulatory and compliance aspects of cloud banking and cybersecurity advice in the cryptocurrency sector.